

SUBJECT: Fiscal-Year (FY) 2005 3rd Quarter Financial Statement Guidance

This email provides the guidance for preparing the FY 2005 3rd Quarter Department of Defense (DoD) Financial Statements as of June 30, 2005.

The attachments include information on the 3rd Quarter, FY 2005 reporting and requirements schedule, reporting entities, current interim policy, and relevant points-of-contact. These attachments supplement the DoD Financial Management Regulation, Volume 6B and provide additional guidance for the preparation of the FY 2005 financial statements.

The FY 2005 Financial Statement Schedule, Attachment 1, has been updated to reflect new suspense items and adjusted suspense dates. If you anticipate any conflicts in meeting your due dates, please provide the specifics immediately in an e-mail to DoD Agency Wide Audited Financial Statements Directorate.

Attachment 2 identifies the significant changes that are applicable to the financial statement reporting process. This attachment includes directions for accessing financial statement crosswalks and mapping information directly from the Defense Departmental Reporting System (DDRS) and the Treasury website as well as other updated pertinent information.

Attachment 3 is a copy of the certification letter that each reporting entity must prepare, and the responsible Client Executive must sign. It also provides instructions and sample Client Executive Certification Letters. Attachment 4 provides instructions and a sample Customer Confirmation Letter.

Attachments 5A through 5E will be sent at a later date, and Attachments 18 and 21 have been omitted, as they only apply to year-end processing. All other guidance is provided in additional attachments.

As in prior quarters, those with ending component level trial balances in FY 2004 must ensure beginning component level trial balances for FY 2005 are entered into DDRS.

**Please provide the following documents in final version by 5:00 PM EDT, July 15, 2005:**

- Balance Sheet
- Statement of Net Cost
- Statement of Changes in Net Position
- Statement of Budgetary Resources
- Statement of Financing
- Statement of Custodial Activity (Army and FMS)
- Required Reconciliations (due July 12th)
- Standard Guidance Checklist
- Customer Confirmation Letter (due July 16th)
- Certification Letter
- Footnote Narratives and Schedules
- Remaining reconciliations (due July 16th)

**Note the above statements and note narratives in draft format must be available in DDRS-AFS by 5:00 PM EDT, July 12, 2005.**

The quarterly guidance will be available on the DFAS e-Portal (<https://eportal.dfas.mil>) within the coming days. After accessing the e-Portal, please select Accounting, Audited Financial Statements and Compliance, Audited Financial Statements, FY 2005 3rd Quarter Guidance.

From July 1 -21, 2005, we will resume our daily teleconferences. A teleconference schedule and the dial in information will be provided under separate cover. Additionally, we prefer that each Site select a POC that prepares the financial statements to serve as its contact with DoD Agency Wide Audited Financial Statements Directorate.

Following are attachments included in this guidance:

- Attachment 1. Schedule
- Attachment 2. Significant Changes
- Attachment 3. DFAS Certification Letter
- Attachment 4. Customer Confirmation Letter
- Attachment 5. DDRS Tools and Guidance (**5A – D to be provided at a later date**):
  - 5A. DDRS Enhancements
  - 5B. Trial Balance Import Sheet
  - 5C. Trading Partner Import Sheet
  - 5D. Budgetary Import Sheet
  - 5E. Entity Code & Blocked Trading Partners List
- Attachment 6. Eliminations:
  - 6A. Elimination Process
  - 6B. Elimination Adjusting Entries
  - 6C. Journal Voucher Category Identification Codes and Metric Reporting
  - 6D. Elimination Waiver Memorandum (**to be provided at later date**)
  - 6E. Non-DoD Trading Partners Codes
  - 6F. Coding of Foreign Military Sales Transactions
  - 6G. Treasury Trading Partners AT20 and AT99
- Attachment 7. FECA (Note: Dates are for illustrative purposes only)
- Attachment 8. Judgment Fund
- Attachment 9. Employee Benefits Reporting Guidance – Imputed Costs and Resources
- Attachment 10. Fund Balance with Treasury for Working Capital Funds
- Attachment 11A. Standard Guidance Checklist Instructions
- Attachment 11B. Standard Guidance Checklist
- Attachment 12A. Financial Statement Points-of-Contact List
- Attachment 12B. DFAS Responsibilities Matrix
- Attachment 12C. Responsible Sites for FY 2005 AFS Preparation
- Attachment 13A. Report, Footnote, or Reconciliation Mapping Changes
- Attachment 13B. Reconciliation Descriptions
- Attachment 14A. Prior-Period Adjustments
- Attachment 14B. Prior-Period Adjustments Checklist
- Attachment 15. Allocation of Undistributed Disbursements and Collections

Attachment 16A. Education Benefits Interest Receivable Recognition  
Attachment 16B. Medicare-Eligible Retiree Health Care Fund Advancement Recognition  
Attachment 17. Funded/Unfunded and Covered/Not Covered Liabilities  
Attachment 18. **Applicable at year-end only**  
Attachment 19. PP&E Reporting Clarifications  
Attachment 20. Capitalized Assets Purchased, USSGL 8802, and Statement of Financing  
Adjustments  
Attachment 21. **Applicable at year-end only**

If you have questions or require further clarification, please contact Al Smith at  
(317) 510-7840 or [alfonza.smith@dfas.mil](mailto:alfonza.smith@dfas.mil).

Thank you for your cooperation.